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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 000346

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SUBJECT: KOIZUMI KIDS FACE TOUGH ROAD TO REELECTION

Classified By: CDA Joe Donovan, reasons 1.4(b),(d).

¶1. (C) Summary. The 82 "Koizumi "Children" who swept into office in the September 2005 postal privatization election, rode the coattails of Prime Minister Koizumi and his promises of reform. Today, they face widespread elimination in the next general election. The majority were elected with minimal political experience and little in the way of a political support base. Almost three years later, many have floundered, victims of a lack of leadership, an internal party preference for factions, and, in some cases, a real lack of skills. As a group, the "Children" never put forward a unified message, or exerted their influence, despite their numbers (82 out of 305 LDP seats in the Lower House). Their failure in October 2006 to stop the return of "postal rebels" expelled from the ruling LDP for their opposition to Koizumi's reform plan in October 2006, or to engineer a Koizumi comeback in September 2007, demonstrated their weakness as a group. Stripped of the preferential treatment they enjoyed in 2005, only those who have proven themselves in their districts will be allowed to run again. End summary.

"Koizumi Fever" Brings Unprecedented Electoral Success

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¶2. (C) The term "Koizumi Children" refers to 82 first-time Lower House Diet members elected on the ruling Liberal Democratic Party (LDP) ticket in the 2005 snap general election. That election, known as the "Postal Privatization" election, was a bold stroke by then Prime Minister Junichiro Koizumi to use his popular mandate to overcome resistance within his own party to his landmark postal privatization package. As opponents of the reform plan left the party to run as independents, or to form new parties, they were replaced on the ticket by Koizumi's hand-picked "assassins." In some cases, the so-called "postal rebels" succeeded in winning back their electoral district seats, relegating a number of the assassins to proportional seats on the party list. In the majority of cases, however, the newcomers were able to capture the imagination of the public and ride "Koizumi Fever" all the way to the Diet. In the process, the LDP gained a landslide victory over the main opposition Democratic Party of Japan (DPJ), giving the ruling coalition its current two-thirds majority of seats in the Lower House. Koizumi's legacy of "reform" seemed assured.

¶3. (C) Of the 82 LDP newcomers, 35 won their electoral districts outright, while the remaining 47 were elected on the proportional list. Their success was primarily skewed to urban areas, where the DPJ had succeeded in the 2003 election by running younger candidates with limited political experience. The term "Children" is somewhat misleading, in that many of the first-time Lower House members are no younger than their mid-ranking colleagues. For the most part, however, they were noteworthy for their lack of political experience and weak support bases in their districts. A survey of campaign funds by the Sankei Shimbun just one year after the election revealed that the newcomers had raised 40 percent less, on average, than the postal rebels. In Gifu 1 district, postal rebel Seiko Noda quadrupled donations over 2004 to JPY 60 million, while her "assassin" opponent, Yukkari Sato, raised almost nothing from donors and depended on JPY 20 million in party subsidies and an additional JPY 10 million from the Yamasaki faction to fund her campaign.

Newcomers Quickly Fail to Realize Their Potential

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¶4. (C) Shortly after the election, the "Koizumi Children," comprising slightly over 25 percent of all LDP Diet members, were just a few members shy of becoming the largest faction in the LDP. Given their numbers, and their close connection to the Prime Minister, they were widely expected to bring a fresh voice to policy discussions and internal party debates. They have failed to live up to expectations. Many of the newly-elected lawmakers joined one of the nine existing LDP factions early in their terms, giving up their independence and becoming the lowest-ranking members in their party

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organizations. At present, 56 of the 82 "Koizumi Children" have joined factions, in numbers proportional to the relative size of each faction. The 26 remaining unaffiliated members, a number that is still larger than four LDP factions, have not met routinely as a group and have made no formal attempts to speak with a unified voice.

¶5. (C) Part of the problem, in addition to the factional divide, has been the ambivalent relationship between the group and its namesake. Koizumi has opted to maintain a low profile in leadership and policy debates since stepping down in 2006, but even before he left office, he made no attempts to mobilize his offspring as an effective force to promote his agenda. Tsutomu Takebe, LDP Secretary General under Koizumi and the de facto guardian of the "Children", appears to have turned his back on his wards by proposing a reduction in the number of proportional seats. Several "Children" have told Embassy Tokyo that one of the problems they have faced is a lack of a strong central leader. Koizumi Child Keisuke Suzuki, 31, lamented that the "Children" were doomed from the start, due to the lack of money and patronage that are essential to getting reelected. Inevitably, he said, ideology and policy goals wind up taking a back seat.

¶6. (C) The "Children" have worked hard to maintain a veneer of a connection to Koizumi and his promise of reform. In October 2006, as Prime Minister Abe and senior LDP leaders staked out sides over a proposal to take back the postal rebels, the "Children" spoke out in opposition to the plan, evoking the spirit of Koizumi's reforms, even as Koizumi himself remained publicly silent. The 82 first-term lawmakers met in a rare plenary session and put forward a position paper, but to no avail. Lower House member Suzuki gave the Embassy a sense of the emotional impact of this issue on the "Children," noting that postal privatization was the very symbol of reform, and a rallying point for those who thought Japan could change. Moreover, it was an issue on which the voters had clearly spoken. Taking the rebels back undermined all that had been accomplished.

¶7. (C) That said, Suzuki admitted, the "Children" could have played the issue better by working through the party mechanism, rather than making their appeal so publicly. A month later, Abe's waffling over a proposal to stop relying on road-related taxes to finance public works projects and reclassify the funds as general revenue led to further accusations from the "Children" that the Prime Minister had turned his back on the reform agenda and was once again catering to entrenched interests and "old-style" LDP politics. When Abe stepped down unexpectedly in September 2007, however, the "Children" were stymied by Koizumi himself as he refused to entertain their attempts to orchestrate his comeback as a "third candidate" to challenge Taro Aso and Yasuo Fukuda. About the same time, according to a policy secretary for Koizumi Child Koichi Yamauchi, main opposition

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Democratic Party of Japan (DPJ) leader Ichiro Ozawa attempted to woo some of the first-termers away from the LDP.

Re-election Outlook Grim for Many

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¶8. (C) Prospects for many of the 82 "Koizumi Children" in the next general election remain in doubt. Some will fall victim to their lack of political experience and a failure to connect with constituents. Director General for LDP Headquarters Hiroshi Motojuku pointed to 27-year-old Taizo Sugimura, seeking to run in Hokkaido, as an example of a first-terminer who had failed to prove himself and would probably have to give up his slot. (Even LDP boss and "Children" mentor Takebe spoke disparagingly of Sugimura in a recent speech, saying: "We have protected him, saying 'a stupid son is the most lovable,' but he says it is up to the party to decide whether to endorse him or not. Stupidity can be cured only when the person dies.") Kotaro Nagasaki, in Yamanashi 2 district, is the rare example of an "assassin" who has acquitted himself well in his constituency, according to local Embassy contacts.

¶9. (C) Others will lose out to former postal rebels with better credentials and stronger support organizations.

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Motojuku and other LDP insiders have made clear to the Embassy that the party will only back "winners." In Gifu 1 district, for example, Motojuku noted that "postal rebel" Seiko Noda is much stronger than "assassin" Yukkari Sato and will get the nod. Coordination in all ten of the districts where "assassin" candidates must now compete for a spot against more seasoned postal rebels seeking to regain their original LDP seats is likely to follow the same course. In five of the ten districts, incumbent Lower House members will face off; in the other five, Koizumi Kids will face challenges from rebels who failed to win reelection.

¶10. (C) LDP Election Headquarters Director Akira Kume emphasized to the Embassy that very few of the "Koizumi Children" had protested the lack of favorable treatment, and know full well that they will have to qualify for the party's nomination based on their prospects for electoral success. Koizumi himself is reported to have addressed 20 or so of his "Children" as members of Takebe's "New Wind" movement at a reception in October 2006, telling them: "You have to work hard to win the election on your own." (Note: According to LDP International Bureau Director Miyako Ito, the New Wind members are mostly "leftovers" -- proportional members or defeated assassins who were not good enough to be picked up by the factions." They could never form their own faction, she added, without access to serious political funds and strong leadership.)

¶11. (C) In terms of concrete numbers, former LDP Secretary General Koichi Kato recently told the Embassy that at least 30 of those on the LDP proportional list will lose their seats, although some individuals might try to use their votes

on key legislation to wrangle for higher placement on the list in the next election. LDP Election Chief and senior faction leader Makoto Koga is reported to have urged low-ranked proportional list members to try to find electoral districts in which to run, but some districts have balked at the idea. He has made clear that the "Children" will not receive the preferential treatment on the proportional list that they received in 2005. First-termers unable to win approval to run in the districts will be relegated to the lowest spots on the party list, where they will be the first to be eliminated when the LDP finds itself unable to match the landslide victory of 2005. Koizumi Kid Suzuki predicted that no more than 30 of his 82 "class of 2005" colleagues would win reelection.

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